

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Planning and Building	(2) MEETING DATE 10/18/2016	(3) CONTACT/PHONE Matt Leal, Planner / (805) 781-5113	
(4) SUBJECT Hearing to consider and identify public needs for the proposed annual Urban County of San Luis Obispo 2017 Action Plan for the allocation of federal grant funding associated with the Community Development Block Grant (CDBG), HOME Investment Partnerships Act (HOME), and Emergency Solutions Grant (ESG) programs. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board conduct a public hearing to receive testimony on how the housing and community needs should be used to allocate federal grant program funding identified in the annual 2017 Action Plan.			
(6) FUNDING SOURCE(S) CDBG, HOME and ESG funds	(7) CURRENT YEAR FINANCIAL IMPACT \$2,498,262 (2016 Action Plan)	(8) ANNUAL FINANCIAL IMPACT Approximately \$2.3 million (2017 Action Plan)	(9) BUDGETED? No
(10) AGENDA PLACEMENT <input type="checkbox"/> Consent <input type="checkbox"/> Presentation <input checked="" type="checkbox"/> Hearing (Time Est. 45 min) <input type="checkbox"/> Board Business (Time Est.____)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? N/A	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW Lisa Howe			
(18) SUPERVISOR DISTRICT(S) All Districts			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Planning and Building / Matt Leal, Planner

VIA: Matt Janssen, Division Manager / Policies and Programs

DATE: 10/18/2016

SUBJECT: Hearing to consider and identify public needs for the proposed annual Urban County of San Luis Obispo 2017 Action Plan for the allocation of federal grant funding associated with the Community Development Block Grant (CDBG), HOME Investment Partnerships Act (HOME), and Emergency Solutions Grant (ESG) programs. All Districts.

RECOMMENDATION

It is recommended that the Board conduct a public hearing to receive testimony on how the housing and community needs should be used to allocate federal grant program funding identified in the annual 2017 Action Plan.

DISCUSSION

Every year the Urban County of San Luis Obispo (Urban County) prepares a policy document called the "Action Plan" in order to apply to the U.S. Department of Housing and Urban Development (HUD) for federal funds under the Community Development Block Grant (CDBG), HOME Investment Partnerships Act (HOME), and Emergency Solutions Grant (ESG) programs. This year the Action Plan is named the "2017 Action Plan" to correspond with the 2017 program year, which starts from July 1, 2017, and ends on June 30, 2018.

The Urban County under HUD's designation is comprised of the following jurisdictions:

- County of San Luis Obispo
- City of San Luis Obispo
- City of Paso Robles
- City of Atascadero
- City of Arroyo Grande
- City of Morro Bay
- City of Pismo Beach

San Luis Obispo County (County) is the lead agency administering the CDBG, HOME and ESG grant programs for the Urban County. The CDBG funds are shared among the six cities and the County. The City of Grover Beach has elected to pursue federal funding separately. The participating cities identify needs and recommend projects for funding under the CDBG program by attending the public needs workshops held by the County. The City of San Luis Obispo held its needs workshop on September 7, 2016, to consider public testimony on community needs for their share of CDBG funds. The County collaborates with a number of advisory groups and nonprofits to identify affordable housing needs and gap in services for homeless persons that could be funded through the HOME and ESG programs.

HUD requires the County to follow its Community Participation Plan when conducting public outreach in the preparation of the 2017 Action Plan. The Community Participation Plan adopted by the Board of Supervisors establishes the procedures for involving the public when developing and amending the Consolidated Plan and the Action Plans of the San Luis Obispo Urban County. The main objective of the Community Participation Plan is to engage the members of the public,

and collect their input about community and affordable housing needs. The public input received at the public workshops and the needs hearing will help guide the County to select projects for federal funding that will also meet the community needs. The Community Participation Plan was last amended and adopted by the Board on May 13, 2014. Per the Community Participation Plan, the County must hold a public hearing to obtain public input on housing and community needs. In addition to today's public hearing, the County and participating cities held two public workshops on September 7 and September 14, 2016, to collect feedback from the members of the community.

The 2017 Action Plan is the third action plan of the five-year Consolidated Plan (2015-2019). The Consolidated Plan serves as a strategic plan which identifies priority needs in community development and affordable housing as well as establishes goals and objectives to meet those identified priority needs. The Consolidated Plan was adopted by the Board on April 14, 2015. Under the 2015 Action Plan (the first action plan of the Consolidated Plan) the County allocated \$1,645,012 in CDBG funds, \$637,847 in HOME funds, and \$145,085 in ESG funds to community based and affordable housing projects. Under the 2016 Action Plan (the second action plan of the Consolidated Plan) the County allocated \$1,667,918 in CDBG funds, \$682,260 in HOME funds, and \$148,084 in ESG funds to community based and affordable housing projects. The purpose of the 2017 Action Plan is to identify and invest grant funds to specific projects that are consistent with the priority needs stated in the approved 2015-2019 Consolidated Plan.

Provided below is a brief summary of each federal grant program that will be addressed in the 2017 Action Plan.

The Community Development Block Grant (CDBG) program

The objective of the CDBG program is to financially assist community based projects that primarily benefit low income families. The CDBG funds can be used for a variety of projects including affordable housing, public facility improvements, economic development, and public services. For example, under the 2016 Action Plan CDBG funds were allocated for development of new affordable rental housing project, assistance for disadvantaged persons to connect to Los Osos wastewater system, ADA improvement projects, and operation of homeless shelters.

HOME Investment Partnerships Act (HOME) program

The objective of the HOME program is to provide affordable housing for low and moderate income households. HOME funds can be used to develop new affordable housing units, to rehabilitate existing affordable housing units, provide down payment assistance to low-income home buyers, and provide tenant-based rental assistance. For example, under the 2016 Action Plan HOME funds were allocated for construction of new affordable rental housing projects.

Emergency Solutions Grant (ESG) program

The objective of the ESG program is to provide assistance to address homeless-related issues. The ESG funds can be used for case management and homeless services as well as for the conversion of a structure into a homeless shelter. For example, under the 2016 Action Plan ESG funds were allocated for homeless related services, homeless prevention, and rapid re-housing programs.

The following table (Table 1) outlines the steps in the process for the preparation of the 2017 Action Plan.

Table 1 – The 2017 Action Plan Preparation Process

The 2017 Action Plan Process	Timelines
Online Needs Assessment Survey	August 18 – September 15, 2016
Public workshop in Nipomo Library	September 7, 2016
Public workshop in Atascadero Library	September 14, 2016
Needs hearing before the Board of Supervisors	October 18, 2016
Due date for the grant application proposals	October 21, 2016
Release of the draft 2017 Action Plan and draft funding recommendations for a 30-day public review	January 2017
Final approval of the 2017 Action Plan by the Board of Supervisors	April 2017
Submittal of the 2017 Action Plan to HUD	May 15, 2017

OTHER AGENCY INVOLVEMENT/IMPACT

County staff continues to work with the participating cities and nonprofit agencies to identify needs and potential projects. Some of the agencies and cities include but are not limited to; Habitat for Humanity, Family Care Network, SLO County Commission of Aging, El Camino Homeless Organization (ECHO), Templeton Area Advisory Group, Atascadero Loaves and Fishes, Mission Community Services Corporation, Transitional Mental Health Agency (TMHA), Peoples' Self Help Housing Corporation, the City of Morro Bay, the City of Paso Robles, and the City of Atascadero. The two public workshops were held on September 7 and September 14, 2016 in Nipomo Library and Atascadero Library, respectively. The feedback collected from the two public workshops primarily identified needs in affordable rental housing units for different income levels, particularly for the seniors. Staff will consider the public input received at the two public workshops and today's hearing when evaluating and rating projects for federal funding.

The following is a summary of the housing and community needs identified at the September 2016 public workshops and the needs assessment survey.

Affordable Housing:

- The need for affordable rental housing units for extremely low and low income families as well as affordable housing for the senior population.
- Support for outreach to landlords to create more section 8 housing choice voucher holders.

Homelessness Service:

- Support for continued financial assistance to homeless shelters, rapid re-housing and housing 1st programs.
- The need for case management services as a key component to reducing homelessness in the county.

Public Services:

- The need for funding mental health and homeless related services.
- Support for financial assistance to detox facilities and related services.

Economic Development:

- The need for funding job training programs to help with creating and retaining jobs for low income individuals.
- The need to support small business development services.

Public Facilities:

- The need for street and sidewalk accessibility improvements.
- The need for health care facilities and child care centers.

The feedback received during the two public workshops, the survey, and today's hearing will be used to help the County

to identify community needs, which will then be used to make recommendation of the allocation of federal grant program funding.

FINANCIAL CONSIDERATIONS

HUD does not release its final funding allocations until February 2017, so staff estimates that the Urban County will receive a total of \$2.3 million in CDBG, HOME, and ESG funds that will be used towards funding community based projects. The estimated total funding is based on the 2016 funding levels and past trends. The County is assuming a 4% cut in CDBG and ESG funding levels from the 2016 funding level for the 2017 program year. Under HOME the County is anticipating an 11% cut in HOME funds from the 2016 funding level. The estimated \$1,600,000 in CDBG funds will be used for public services, housing, public facilities, and economic development projects. The estimated \$605,000 in HOME funds will be used for construction or rehabilitation of affordable housing units as well as tenant-based rental assistance program. The estimated \$142,000 in ESG funds will be used for homeless-related services, rapid re-housing and homeless prevention programs.

The County will retain a percentage of the grant funds to support the cost of administering these programs. As previously reported to the Board of Supervisors, funding levels for HUD grants have declined over the past few years, while the administrative requirements for these grants have expanded. This situation resulted in an impact to the General Fund of approximately \$118,757 in FY 2016-17 for administering the CDBG, ESG, and HOME funds. Staff anticipates an increase of approximately \$18,210 to the department's level of General Fund support in FY 2017-18 based on the estimated funding levels for the 2017 program year and current staffing requirements.

RESULTS

The result of today's hearing is consistent with a couple of Countywide goals including a livable community and a prosperous community. The County will use its 2017 CDBG, HOME, and ESG funds on a variety of community based projects that will help promote a livable and a prosperous community by allocating funds to community based projects such as projects that help: 1) increase the availability of affordable rental housing units for low and extremely low income households, 2) make improvements to public facilities in low income neighborhoods, and 3) reduce and prevent homelessness. The objective of this hearing is to provide the public with the opportunity to participate in the process of identifying the community needs, priorities, and goals for the 2017 Action Plan. All public input received during the workshops, the survey, and at today's hearing will be used to help guide staff in the preparation of draft federal grant program funding recommendations for community based projects. The draft federal grant program funding recommendations will be presented to your Board for consideration at a public hearing in April 2017.

ATTACHMENTS

No attachments